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5 October 1962 DAD/OSA

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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Meeting with Secretary McNamara, DCL
Deputy Secretary Gilpatrick, and DNRO
Relative to NRO

I. NRO Organization

Mr. McCone presented his paper relative to revision of the NRO organization to eliminate the present dual reporting feature for the DNRO and the establishment of the Secretary of Defense as Executive Agent to the National Reconnaissance Planning Group. In commenting on the proposal Secretary McNamara stated that he had always had reservations on the requirement for a special organization for reconnaissance and did not understand why in the long run this could not be handled by normal intelligence organizational procedures. He went on to state that he would like to look to one organization in the Defense Department for all intelligence matters and felt that perhaps NSA and NRO should be subordinate to DIA. Mr. McCone indicated that he felt that both NSA and NRO activities transcended strictly military intelligence and that it would be undesirable to have this subordination. He also pointed out the present difficulties which DIA was having in getting itself to be a truly functional organization.

Drs Charyk and I emphasized the desirability of maintaining a NRO operating at the present level in order to permit better centralized direction of the programs of the various agencies and to permit streamlined management of the projects so that research and operations could occur simultaneously.

Secretary McNamara indicated that while he was satisfied for the present with the existing NRO organization, he would review Mr. McCone's paper and discuss it with him at a later date.

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II. NRO Budget Procedures:

Mr. McCone stated his views which were outlined in the revised NRO organization paper. He indicated the desire to have a single NRO program and budget which would be presented to the Bureau of the Budget with an indication of the portions for which CIA, AF, Navy, etc., should have the responsibility. CIA then would defend its portion through its normal procedures with Congress and money appropriated to it through DOD in the same fashion as the remainder of the CIA budget.

? BOB

Secretary McNamara stated that the only question was the preservation of the integrity of the NRO funds and program. He felt it was essential that none of the agencies could transfer funds which had been designated and defended for NRO purposes to other non-NRO projects. Mr. McCone concurred in this and indicated that any such transfers would have to be approved by the Secretary of Defense and the DCL. (Following the meeting I got the impression that Dr. Charyk is still hedging on this subject and wishes to establish internal NRO budgetary controls over the program. However, I am hopeful that this can be worked out without further reference to you or Secretary McNamara. The latter's comments to DCI on his paper should be indicative in this respect.)

III. Contracting:

Mr. McCone raised the problems involved in CIA contracting for black DOD programs. He indicated the difficulties of this but felt that they could be worked out. However, this would require discussions with Mr. Campbell, GAO.

IV. National Reconnaissance Program:

With the modifications discussed below, the proposed National Reconnaissance Program was approved by Mr. McCone and Secretary McNamara.

(a) Mr. McCone raised the question of the continuation of the 201 program. Mr. McNamara indicated that he had approved.

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the J additional 201 firings despite the cost of about [redacted] as a reasonable hedge against a complete failure of the J program. After some discussion as to the need for this hedge, it was agreed that the 3 firings would be authorized on a stretched-out schedule with the understanding that this decision could be reviewed momentarily if the J program appeared more certain.

(b) Discussion was held on the FIRE FLY and A-12 O drone programs. It was agreed that FIRE FLY should go ahead for possible use in Cuba. At this point there was considerable discussion on the need to have a more forceful reconnaissance program in the Cuban area. The value of the A-12 O as a potential hedge against the inability to get permission for the manned vehicle was discussed. It was admitted that the technical characteristics and feasibility of this system were still uncertain and that the first phase of the program could probably be useful in clearing up some of these uncertainties, before the very large sums of money would be committed. It was, therefore, agreed to proceed with this program with the understanding that when the data from the study phase was available, then a further decision would be made on the final development. (Subsequent to the meeting Dr. Charyk agreed that CIA should undertake the development responsibilities for this program in the same way as for the A-12). *MW*

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(c) I raised the question of the effort that should be placed on the truly covert satellite development. After some discussion it was agreed that if the studies for which [redacted] has been budgeted indicated the desirability and feasibility of proceeding with a truly covert system, then this should be financed out of DOD emergency funds.

V. RB-X Disclosure

Mr. McCone expressed his concern about potential damage to the A-12 intelligence program which might result from any disclosure in connection with the RB-X program. He felt while the cover story was about the best that might be developed, it would not prevent wide-spread speculation and compromise of the A-12. Secretary McNamara understood his concern and said that he felt a

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decision on this could well wait for a month since many actions were required prior to the time such a disclosure might occur. Mr. McCone expressed the concern of the President's Intelligence Board in this connection, and all agreed that prior to making any decision the matter would have to be thoroughly discussed with the President. The NRO was requested to raise the matter again with the DCI and Secretary of Defense the first of November.

HERBERT SCOVILLE, JR.
Deputy Director
(Research)

ODDRHIScoville/jlp (5 October 1962)

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